

STUDENT LOANS ARE APPROVED TO 6044 STUDENTS AND REMINDED OF THEIR RESPONSIBILITY

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After months of a selection process, 6044 students were eventually approved for a loan, and payments for books and room costs will be dispensed to them in the middle of December. However, the Guidance Section wants to remind all those students to regard loans as a serious matter as many students appear not to comprehend the implications of repayments and interest. In such cases, the consequences can be grave, and may have a life-long effect. According to Miss Jian, in charge of the loans from TKU at the Bank of Taiwan, a student's loan per semester amounts to approximately NT\$ 60,000, which means, NT\$ 500,000 after four years should the student choose to have a loan throughout his or her study. It can be a sizable burden once the student begins to pay back the loan, plus its interest, after one year of graduation. It will not be easy for someone who just has his or her first job.

The head of the Guidance Section, KaoYen-yu showed her concern by stating that despite the number of students applying for a loan had increased considerably in recent years, she felt that the message of the responsibilities necessary in acquiring such a loan had not got through to the students. They should know, she pointed out, that if they do not pay back on time, the accumulated interest will be unthinkable, and more importantly, their credit-worthiness will be seriously affected. In this case, their credibility will suffer and so will that of their guarantors'.

In order to prevent defaulting on the loan, the loan coordinator at the Guidance Section, Chen Rui-er, added that banks asked the Ministry of Education to set up a trust fund to provide provision for bad loans. 5% of the fund comes from TKU, which in turn is supplied by the 'Subsidy

Foundation' of the university. This foundation acquires its funding from students' tuition. In other words, every student pays for those who default on the loan.

Nevertheless, most students may not understand fully the intricacies of payments and interest, they are confident to be able to clear their debts in due course. For example, Chen Jing-ting, a freshman in the Department of Public Administration, who has started borrowing money from the bank since she was a senior at senior high school, intends to borrow money throughout her four years at TKU. She has started working part-time already so as to save up money for payment and is determined to keep her schedule of repayment after graduation. Her classmate, Hong Wei-ting, applied for the loan for the first time and is also making plans of paying back upon graduation, understanding her amount will be approximately NT\$ 400,000 after four years. Other students such as Hsiao Hui-jun, a senior in the Department of English and You Wen-chi, also a senior in the Department of Banking and Finance were frank about their ignorance of interest and its operation. Yet, they both said they would pay back on time, as they did not want to be "the burden of innocent people!"